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SERVICE DATE - MAY 14, 2004

SURFACE TRANSPORTATION BOARD

DECISION

STB Docket No. MC-F-21006

STAGECOACH GROUP PLC AND COACH USA, INC., ET AL.—ACQUISITION AND
CONSOLIDATION OF ASSETS—ROCKFORD COACH LINES, L.L.C.

AGENCY: Surface Transportation Board.

ACTION: Notice Tentatively Approving Finance Transaction.

SUMMARY: Stagecoach Group, PLC (Stagecoach), a noncarrier, and its noncarrier intermediate subsidiaries, SCUSI Limited, Coach Administration, Inc., and Coach USA, Inc. (Coach USA), and Sam Van Galder, Inc. (Van Galder), a motor passenger carrier (MC-112422) controlled by Coach USA (collectively, applicants), have filed an application under 49 U.S.C. 14303 for acquisition and operation of certain assets of Rockford Coach Lines, L.L.C. (Rockford), a motor passenger carrier (MC-66810) and subsidiary of Greyhound Lines, Inc. (Greyhound). The transaction was approved on an interim basis under 49 U.S.C. 14303(i), and the Board is now tentatively granting permanent approval. Persons wishing to oppose the application must follow the rules under 49 CFR 1182.5 and 1182.8. If no opposing comments are timely filed, this notice will be the final Board action.

DATES: Comments are due June 28, 2004. Applicants may reply by July 13, 2004. If no comments are received by June 28, 2004, this notice is effective on that date.

ADDRESSES: Send an original and 10 copies of any comments referring to STB Docket No. MC-F-21006 to: Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-0001. In addition, send one copy of comments to applicants' representative: Betty Jo Christian, Steptoe & Johnson, LLP, 1330 Connecticut Ave., N.W., Washington, DC 20036.

FOR FURTHER INFORMATION CONTACT: Beryl Gordon (202) 565-1600. [Federal Information Relay Service (FIRS) for the hearing impaired: 1-800-877-8339.]

SUPPLEMENTARY INFORMATION: Stagecoach, headquartered in Scotland, is one of the world's largest providers of passenger transportation services. It operates in several countries, including the United States, through a series of operating divisions. One such operating division, Coach

USA, is a Delaware corporation that currently controls numerous passenger carriers, including Van Galder, one of the subjects of this transaction.

Under the proposed transaction, applicants seek permission to acquire certain assets of Rockford, including Rockford's name, trademarks, service marks, telephone numbers, customer lists, sales records, charter contracts, an airport ticket booth and the federally issued interstate operating authorities of Rockford, as well as a variety of other assets. The Board recently granted interim approval in Stagecoach Group PLC and Coach USA, Inc., et al.—Acquisition and Consolidation of Assets—Rockford Coach Lines, L.C.C., STB Docket No. MC-F-21006 TA (STB served Apr. 29, 2004). Rockford currently operates 19 motorcoaches, and provides regular route service between Rockford, IL, and O'Hare International Airport, charter and tour service in the Northern Illinois area, and charter operations between points in the Northern Illinois area and points in the United States. According to applicants, Rockford has been losing substantial sums of money in its operations and Greyhound, Rockford's parent, can no longer afford to absorb those losses. As a result, Rockford will cease operations in early May. However, applicants state that there will be a seamless continuation of services previously provided by Rockford through Van Galder.

Applicants have submitted information, as required by 49 CFR 1182.2(a)(7), to demonstrate that the proposed transaction is consistent with the public interest under 49 U.S.C. 14303(b). Applicants state that the proposed transaction will have no impact on the adequacy of transportation services available to the public, that the operations of the carrier involved will remain unchanged, that fixed charges associated with the proposed transaction will not be adversely impacted. Although, applicants may offer employment to some, all or none of the Rockford employees, applicants anticipate that in the absence of this transaction Rockford will cease operations with the loss of employment for all employees. In addition, Applicants have submitted all of the other statements and certifications required by 49 CFR 1182.2. Additional information, including a copy of the application, may be obtained from the applicants' representative.

Under 49 U.S.C. 14303, the Board must approve and authorize a transaction it finds consistent with the public interest, taking into consideration at least: (1) the effect of the transaction on the adequacy of transportation to the public; (2) the total fixed charges that result; and (3) the interest of affected carrier employees.

On the basis of the application, the Board find that the proposed acquisition of assets is consistent with the public interest and should be authorized. If any opposing comments are timely filed, this finding will be deemed vacated and, unless a final decision can be made on the record as developed, a procedural schedule will be adopted to reconsider the application. See 49 CFR

1182.6(c). If no opposing comments are filed by the expiration of the comment period, this decision will take effect automatically and will be the final Board action.

Board decisions and notices are available on the Board's website at "WWW.STB.DOT.GOV."

This decision will not significantly affect either the quality of the human environment or the conservation of energy resources.

It is ordered:

1. The proposed acquisition and operation of certain assets of Rockford by applicants is approved and authorized, subject to the filing of opposing comments.
2. If timely opposing comments are filed, the findings made in this decision will be deemed as having been vacated.
3. This decision will be effective on June 28, 2004, unless timely opposing comments are filed.
4. A copy of this decision will be served on: (1) U.S. Department of Transportation, Federal Motor Carrier Safety Administration, 400 7th Street, S.W., Room 8214, Washington, DC 20590; (2) the U.S. Department of Justice, Antitrust Division, 10th Street & Pennsylvania Avenue, N.W., Washington, DC 20530; and (3) the U.S. Department of Transportation, Office of the General Counsel, 400 7th Street, S.W., Washington, DC 20590.

Decided: May 10, 2004.

By the Board, Chairman Nober.

Vernon A. Williams
Secretary